

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1246-02  
Bill No.: HCS for HB 536  
Subject: Insurance Dept.; Licenses - Professional; Psychologists  
Type: Original  
Date: April 21, 2009

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Bill Summary: Establishes licensure requirements for prescriptive authority of psychologists.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
General Revenue	(Unknown less than \$100,000)	(Unknown less than \$35,000)	(Unknown greater than \$35,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown less than \$100,000)</b>	<b>(Unknown less than \$35,000)</b>	<b>(Unknown greater than \$35,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 9 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Federal	0*	0*	0*
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Income and expenditures varies annually and net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS realizes this is a small amount and does not expect that additional funding would be required to meet these costs. The SOS recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of that the office can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the ***Department of Insurance, Financial Institutions and Professional Registration (DIFP) - Division of Professional Registration (Division)*** state the State Committee of Psychologists (Committee) estimates approximately five (5) licensees will apply for prescriptive authority during the first year of implementation of this legislation, eight (8) the second year, and ten (10) the third year and pay a \$150 application fee beginning in FY 12, and \$200 biennial renewal fee beginning in FY 14. The Committee estimates that during the fourth year of implementation, and annually thereafter, ten (10) licensed psychologists will apply for prescriptive privileges.

The Committee estimates that it will incur an expense for the initial programming and implementation of this licensure category to the Division's licensure system. The Division estimates this initial programming will occur in FY 10 and will cost approximately \$540.

### **FY 09 - \$540 Licensure System Design and Implementation**

#### **FY 11**

5	Applicants for initial licensure
<u>\$150</u>	Initial application fee
<b>\$750</b>	<b>Total Revenue</b>

#### **FY 12**

8	Applicants for initial licensure
<u>\$150</u>	Initial application fee
<b>\$1,200</b>	<b>Total Revenue</b>

#### **FY 13**

10	Applicants for initial licensure
<u>\$150</u>	Initial application fee
<b>\$1,500</b>	<b>Total Revenue</b>

**Oversight** considers the revenue and expenses associated with the prescribing psychologists to be minimal for fiscal note purposes.

ASSUMPTION (continued)

Officials from the **Department of Mental Health (DMH)** state according to MONAPPP (Missouri chapter of the National Alliance of Professional Psychology Providers) it is expected that the first class of prescribing psychologists will consist of 15 individuals.

Current Missouri Statute 337.041 reads:

“No official, employee, board, commission, or agency of the state of Missouri, county, municipality, school district, or other political subdivision shall discriminate between person licensed under sections 337.010 to 337.090 and chapter 334, RSMo, when promulgating regulations or when requiring or recommending services which legally may be performed by persons licensed under sections 337.010 to 337.090 and by persons licensed under chapter 334, RSMo.”

Because the DMH currently employs psychiatrists to prescribe medication, it may require the employment or contracting with psychologists for the same purpose. If 15 prescribing psychologists will enter the mental health service delivery system annually and tend to expand services related to medication administration, this will reduce other services currently being provided because of the redirected funding. In order to maintain the current level of these services, additional funding may be required. The specific cost for such services is unknown, but will be in excess of \$100,000 annually.

**Oversight** notes that at the present time it appears a very limited number of psychologists will be applying for prescriptive authority. Therefore, **Oversight** assumes the Department of Mental Health will not see a significant increase in services provided or need to obtain additional funding to maintain its current level of services, for the period covered by this fiscal note.

Officials from the **Department of Social Services - MO HealthNet Division (MHD)** state MO HealthNet currently covers psychotropic drugs that are prescribed by a physician or psychiatrist. An increase in utilization and pharmacy expenditures are expected because there will be an increase in prescribing providers for mental health services. In addition, psychotropic drugs are MO HealthNet's highest cost class of drugs and HB 11 prohibits MO HealthNet from editing this class of drugs. Based on current data, the average prescription cost for a 30 day supply of these class of drugs is \$70. There are 690 psychologists enrolled as MO HealthNet providers as of January 23, 2009. If 10% of these psychologists (69) write 10 prescriptions a month, the cost would be \$579,600 (69 psychologists X 10 prescriptions X 12 X \$70).

ASSUMPTION (continued)

This legislation will cause a fiscal impact to the MHD. The amount is unknown, but greater than \$579,600. Since the proposed legislation requires psychologists to receive additional training to become a prescribing psychologist, the MHD anticipates no cost for this legislation in FY 10.

**Oversight** assumes MO HealthNet will not experience the increase in prescription drug coverage anticipated. The DIFP - Division of Professional Registration, Board of Psychology anticipates only five (5) individuals may become licensed prescribing psychologists in FY 11, eight (8) in FY 12, and ten (10) in FY 13. As a result, 5 psychologists X 10 prescriptions per month X 12 months X \$70, would result in an increase in prescription drug costs of \$42,000 in FY 11, \$109,200 in FY 12 (13 psychologists X 10 prescriptions per month X 12 months X \$70), and \$193,200 in FY 13 (23 psychologists X 10 prescriptions per month X 12 months X \$70) Due to the uncertainty of the number of prescriptions that could be written by prescribing psychologists, **Oversight** assumes unknown costs to MO HealthNet of less than \$100,000 for FY 11 and unknown costs exceeding \$100,000 for FY 12 and FY 13 (FY 13 is outside the period of this fiscal note). Costs will be split approximately 65% Federal funds/35% General Revenue.

Officials from the **Department of Health and Senior Services (DOH)** state additional registration fees for psychologists will be generated by this legislation. This amount will be received primarily in a three-year cycle due to the three-year term of the registrations issued, except for individuals beginning to practice in Missouri in intervening years. The DOH, Division of Regulation and Licensure, assumes that 10 percent of the total number of psychologists will qualify and apply for a three-year controlled substances registration in each year. In 2008, there were 1,800 psychologists licensed to practice in the state of Missouri. Assuming a 10 percent participation level each year, an additional \$16,200 (180 registrants X \$90 per three-year registration) would be generated through fees for controlled substances registration and deposited into the General Revenue Fund.

Office of Administration (COA), Information Technology Services Division (ITSD) Costs:

ITSD assumes one-time consultant costs for analysis, design development, testing, and implementation of the needed medications to collect and store the data will cost \$143,520. Since funding for consultant costs is contingent upon whether COA-ITSD's new decision is funded to implement SB 724 (2008), DOH assumes a range of cost from \$0 to \$143,520 for this component.

COA-ITSD also assumes the project will require the need for one Computer Information Technology Specialist I to provide project management, development support, and administration maintenance of the application. This position would require one full-time staff the first year, and

ASSUMPTION (continued)

then reduced to half of a full-time position in subsequent years for ongoing maintenance to the application. This FTE is necessary even if the new decision item to implement SB 724 is funded, as this FTE will be needed to make additional system modifications to add physician assistants and provide support for the system. Standard expense and equipment costs are included for this FTE.

**Oversight** assumes the Department of Health and Senior Services (DOH) will need unknown funding of less than \$100,000 to make the necessary modifications to its current database to maintain data on prescribing psychologists. **Oversight** further assumes the DOH will use current staff to develop, implement, and maintain the modifications. Additional funding may be necessary to update/modify the database in a year outside the period of this fiscal note if the number of prescribing psychologists increases significantly.

The DOH may receive additional controlled substance registration revenue of \$450 (5 psychologists X \$90 for a 3-year registration) in FY 11, revenue of \$720 (8 psychologists X \$90 for a 3-year registration) in FY 12, and \$900 (10 psychologists X \$90 for a 3-year registration) in FY 13 (FY 13 is outside the scope of this fiscal note).

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
<b>GENERAL REVENUE FUND</b>			
<u>Income - DOH</u>			
Controlled substance registration fees	\$0	\$450	\$720
<u>Costs - DOH</u>			
Data base modifications	(Unknown less than \$100,000)	\$0	\$0
<u>Costs - DOS</u>			
Increase in program costs	\$0	<u>(Unknown less than \$35,000)</u>	<u>(Unknown greater than \$35,000)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<u><b>(Unknown less than \$100,000)</b></u>	<u><b>(Unknown less than \$35,000)</b></u>	<u><b>(Unknown greater than \$35,000)</b></u>
<b>FEDERAL FUNDS</b>			
<u>Income - DOS</u>			
Increase in program reimbursements	\$0	Unknown less than \$65,000	Unknown greater than \$65,000
<u>Costs - DOS</u>			
Increase in program payments	\$0	<u>(Unknown less than \$65,000)</u>	<u>(Unknown greater than \$65,000)</u>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<u><b>\$0*</b></u>	<u><b>\$0*</b></u>	<u><b>\$0*</b></u>
<b>*Income and expenditures net to \$0.</b>			

FISCAL IMPACT - Local Government

FY 2010  
(10 Mo.)

FY 2011

FY 2012

\$0

\$0

\$0

FISCAL IMPACT - Small Business

The proposal may impact small business physician/psychiatric offices if they pay the Missouri controlled substance registration fees and/or the federal registration fees for prescribing psychologists.

FISCAL DESCRIPTION

This proposal authorizes the licensure of prescribing psychologists under the State Committee of Psychologists in the Division of Professional Registration within the Department of Insurance, Financial Institutions and Professional Registration. Persons licensed as prescribing psychologists will be authorized to prescribe certain Schedule II stimulants and Schedule IV tranquilizers or any other psychological treatment or laboratory test as it relates to the practice of psychology, excluding electrical convulsive therapy. A licensed prescribing psychologist cannot purchase, administer, or dispense medication.

Prescribing psychologist licenses will only be issued to licensed psychologists who meet certain criteria established in the proposal. These requirements include completing 400 hours of didactic educational training recommended by the American Psychological Association or completing a post-doctoral master degree in psychopharmacology; completing a one-year fellowship, with weekly supervision of a physician and maintaining a full-time caseload of patients during the year with duties of medication management, psychological evaluations, and therapeutic services; and passing a national examination testing competency to engage in the practice of prescriptive authority.

After receiving his or her license to prescribe, a psychologist must enter into a collaborative practice agreement with a licensed physician for one year.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.



SOURCES OF INFORMATION

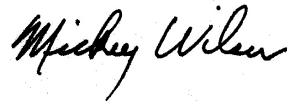
**Department of Insurance, Financial Institutions and Professional Registration**

Department of Mental Health

Department of Health and Senior Services

**Department of Social Services**

Office of Secretary of State

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
April 21, 2009